

## 5

## In my view: Funding for sustainable development can be increased by closing tax loopholes and strengthening systems

Anne Beathe Kristiansen Tvinnereim, Minister of International Development, Norway

“In this world, nothing can be said to be certain, except death and taxes,” Benjamin Franklin, the 18th-century American statesman and philosopher, allegedly once said. He was wrong about the tax part.

Every year, billions of dollars are lost due to poor and poorly implemented taxation systems. Laws, policies and loopholes cater for tax evasions, illicit financial flows and corruption, siphoning off vital resources from healthcare, education and basic services people. In this way, poor tax systems can perpetuate inequality. Inequality is first and foremost a systemic issue requiring systemic changes including in welfare programmes and public institutions and for effective service delivery. Given the gap between needs and available resources for sustainable development, we need equitable tax systems to improve local revenue raising and thereby reduce dependency and allow countries to be fully in charge of their own development.

A just and transparent tax system is also needed to ensure that society as a whole benefits from the exploitation of a country’s natural resources. In Norway, we have a long tradition of taxing natural resources such as petroleum and hydropower. This has served us well in the process of developing our country while at the same time planning for the future. We also know from our own experience that environmental and climate taxes can stimulate effective and innovative approaches to financing the green transition.

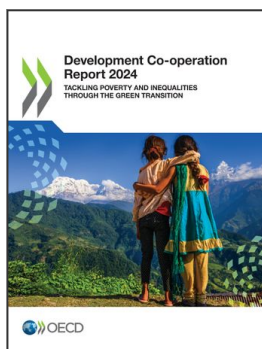
At the global level, there is a demand to improve international regulations and transparency through more effective and inclusive multilateral co-operation to prevent capital flight. We must strive to make substantial progress in this area at the Fourth International Conference on Financing for Development in 2025 in Spain. Together with Mexico, Nepal and Zambia, Norway will facilitate negotiations around the outcome document for the conference. Norway also gives high priority to tax collaboration as a guest country in the G20 this year, under Brazil’s presidency.

*At the global level, there is a demand to improve international regulations and transparency through more effective and inclusive multilateral co-operation to prevent capital flight.*

Fighting inequality is a main priority in Norway’s development policy, as it has been in our own national development. Tax revenue is the cornerstone of every country’s long-term social progress and one of our most important tools for reducing inequality. Through our development co-operation, Norway supports

several countries in improving national tax systems and strengthening tax administrations. A wide range of partners contribute through technical guidance and advocacy. In this way, we allocate official development assistance to enhance systems that generate more domestic resources.

A country's resources should benefit its people. Therefore, we need to close all loopholes and improve tax systems to generate funding for the realisation of the Sustainable Development Goals. This requires commitment and enhanced collaboration at global and national levels, and Norway is eager to play its part.



**From:**

## **Development Co-operation Report 2024**

Tackling Poverty and Inequalities through the Green Transition

**Access the complete publication at:**

<https://doi.org/10.1787/357b63f7-en>

### **Please cite this chapter as:**

Tvinnereim, Anne Beathe Kristiansen (2024), "In my view: Funding for sustainable development can be increased by closing tax loopholes and strengthening systems", in OECD, *Development Co-operation Report 2024: Tackling Poverty and Inequalities through the Green Transition*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/d275137f-en>

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.